Workforce Planning Not A Common Practice, IPMA-HR Study Finds

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The IPMA-HR Benchmarking Committee has been providing human resources benchmark information and data metrics to IPMA-HR members on various topics — including recruitment, compensation, training, HR information technology, operations and demographics — since 1997. Most recently the committee issued a survey to 5,700 IPMA-HR members measuring the extent to which public agencies utilize a workforce plan and have a formalized workforce planning process in place. The results are analyzed here.

Workforce planning has long been an active HR strategy that has been discussed at professional conferences and within professional journals and publications. Since the late 1990s, HR professionals and decision makers have been aware of the need for formalized strategic planning of their workforces, especially given the pure demographics of the public service environment, at all levels. The inevitably changing workforce, driven by the steady exodus of baby boomer workers towards retirement, and converging many times with an increasing demand for public services, marked the generational HR management need for proper planning and development of thoughtful strategies in the areas of recruitment, retention and succession planning.

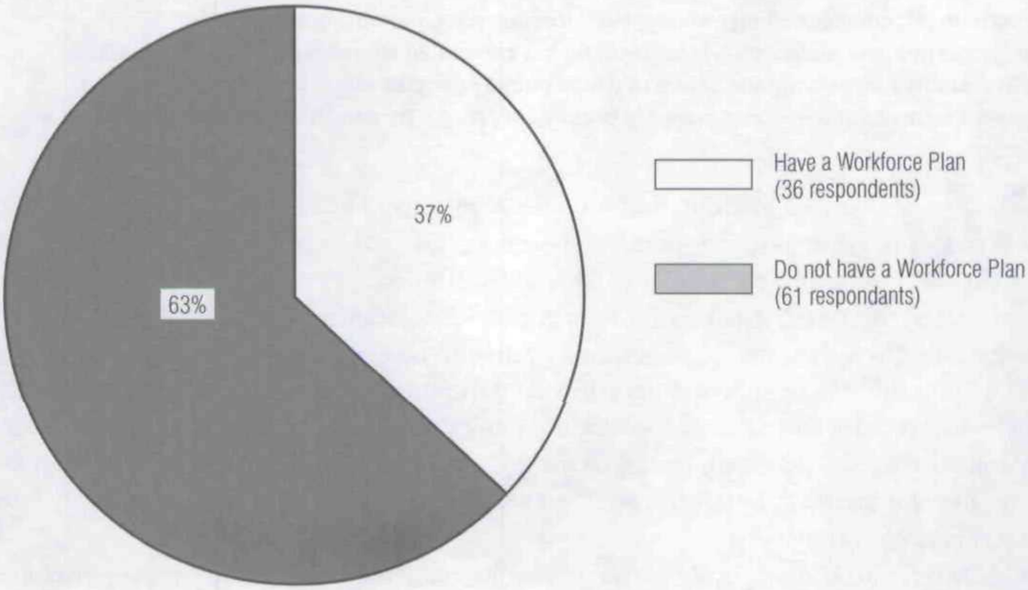
While the HR and leadership community recognized this need for proper planning, circumstances and limited resources have prevented some agencies from instituting a formal approach to workforce planning. However, there are many examples of success in this area, often driven and supported by government leadership outside of the traditional HR community. For example, at the federal level workforce planning — or human capital planning — is a major component of the President's Management Agenda; and in the State of Georgia, the state legislature embedded formalized workforce planning for agencies within state law.

As shown in the following summary of results of the 2004 IPMA-HR Workforce Planning Survey, many agencies have reported their data and successful strategies for developing a workforce plan and process. As telling as the reported data are, the lack of a higher response rate to the survey may also be an indicator that we've still not formally embraced workforce planning in many of our public agencies. However, the input received from this survey provides useful information for agencies of all sizes, with various degrees of resources available to commit to workforce planning. The journey towards recognized and formalized workforce planning has certainly begun, and will continue to evolve and take form.

Survey Results

In a recent survey of IPMA-HR members (conducted in January 2004) on their workforce planning activities, of the 97 people who responded only 36 respondents (37 percent) indicated that their organization has a workforce planning process — i.e. a process that includes defining staffing requirements (both staffing levels and competencies), identifying current staff availability, projecting future staff availability, and calculating specific differences between staffing supply and demand. Sixty-one respondents (63 percent) indicated their organization did not have a workforce planning process in place.

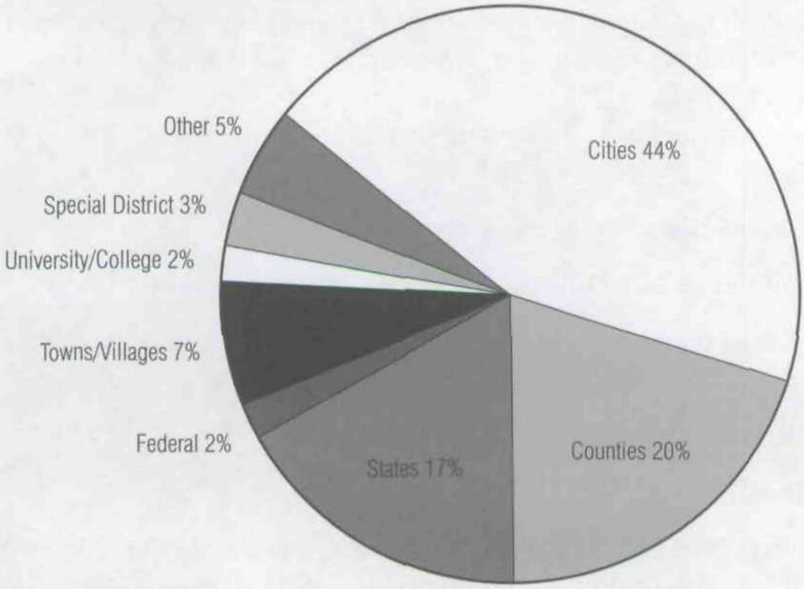
Figure 1. Survey Respondents (97 organizations)



In an effort to explain the low response rate to the survey, a random sample of the 359 members who responded to the demographics section of the survey, but did not respond to the workforce planning questions, were contacted via telephone. They explained that they did not have a workforce plan or process in place, so did not respond to the workforce planning survey section.

These findings are really not surprising when reviewed in light of other studies in both the private and public sector. The U.S General Accounting Office in two reports – "High-Risk Series: An Update," GAO-01-263 (January 2001) and "High-Risk Series: An Update," GAO-03-119 (January 2003) — identified strategic human capital management as a government-wide high-risk area after finding that the lack of attention to strategic human capital management had created a risk to the federal government's ability to serve the American public effectively. In addition, a poll conducted by the Society of Human Resource Management (SHRM) in December 2003, in which respondents were asked at what levels their organizations had succession plans in place, found an astonishing 60.5 percent responded that, "We do not have any succession plans."

Figure 2. Participating Jurisdictions



The results of the IPMA-HR survey clearly indicate strategic workforce planning is still a relatively new concept/practice for many of the organizations. Of those who indicated they *did* have a workforce plan in place, the majority (21 percent) had a plan developed less than two years ago. Nine percent had a plan developed between two to five years ago, and only 6 percent had a plan in place for more than five years.

This was further highlighted when respondents were asked to indicate the status regarding the development of their workforce plan (i.e. a product that the organization uses to identify and address the staffing implications of its organization strategies and plans.) Respondents indicated:

- We currently have a work plan — 21.6 %
- We are in the process of developing a plan — 18.6 %
- We are planning on developing a plan — 26.8%
- We have no immediate plans to develop a plan — 30.9 %

Those agencies that indicated they were in the process of developing a workforce plan were in varied stages of development. For some there was no definitive timeframe, while some indicated by June-July, 2004, by 2005 or within the year. A few agencies indicated that they were in very early stages of development; and are hopeful by late spring of 2005 they will have developed a workforce plan. For those that indicated they plan on developing a workforce plan in the future, the responses were similar, and ranged from work will begin in two-three months; within the next six months; one-two years; 2005; hopefully in the next year; indefinite time frame; it is still in the discussion phase.

For those who responded that they have no immediate plans to develop a workforce plan, the responses are interesting and a bit alarming in light of current trends

— the increasing challenge for agencies to deploy the right skills in the right places; agencies faced with a growing number of employees who are eligible for retirement and are finding it difficult to fill certain mission-critical jobs; rapidly evolving technology; and the dramatic shifts in the age and composition of the overall population, which can exacerbate the problem.

Some of the reasons cited by those with no immediate plans to develop a workforce plan included:

- This has not been a priority with city management to date;
- Our firm is small and we only hire senior seasoned HR professionals;
- It's not that it would not be great to have one, but we just don't have the staff to create one at this time;
- It is not considered a high-profile concern of management;
- Time and manpower availability;
- Developing a workforce plan has not been viewed as a pressing issue. We have always "gotten by" with dealing with replacements or backfilling as the need arises. We are facing huge budget shortfalls imposed upon us by our state's inability to balance the budget;
- With the exception of a few specialized positions, staffing vacant positions is not difficult. We are focusing on the development of leaders for future key positions;
- The city manager is currently looking at a strategic plan including performance measures and benchmarking for the entire city first and all our attention has been to work on that;
- We are currently occupied with staff reductions and a budget crisis;
- Due to our small size we have not done this in a formal way in the past from what I can tell, but we are growing, and I can see a need for a more formal program to handle our continued growth;
- The HR function has provided a proposal for workforce planning to the executive staff for their consideration, but it was never approved for HR to proceed with developing anything. We are planning to re-submit a proposal in the near future;
- Over the past decade, it has not been difficult for the city to find qualified pools to fill most of the city's positions. However, we realize that this will change as the local and regional demographics change, so we are considering succession planning;
- Due to budget restrictions we cannot plan for the future at this time;
- There have been other fires to put out first. Top management has not seen the need for any assessment; and
- Normal recruitment/retention efforts are expected to maintain effective workforce.

Workforce Planning Process' Alignment with Organization Strategic Plan

For those agencies with a workforce planning process, 39 percent indicated that their process was aligned with their organization's strategic plan, while only 6 percent said it was not aligned. However, 13 percent of the agencies whose workforce planning process was not currently aligned with their organization's strategic plan said it would be aligned in the future.

In addition, 40 percent indicated that their workforce planning process was aligned with their organization's budget process, while 18 percent said it was not aligned to the budget process.

Workforce Planning Staff Size

The full-time equivalent staffing of workforce planning operations tend to range from:

- 0-1 for 20 percent of the respondents,
- 2-10 for 31 percent of the respondents,
- 11-25 for 2 percent of the respondents, and
- 51 or more for 5 percent of the respondents.

Workforce Plan Elements

Respondents that had a workforce plan in place indicated the following elements were or will be included in their plan. Respondents were asked to select all elements that applied:

Workforce Plan Elements	Percentage (%)
Training and development	50.5
Recruitment	49.5
Classification	48.5
Competencies	48.5
Selection and staffing	48.5
Succession planning	46.4
Diversity	44.3
Internal forecasting (estimates internal supply and demand; labor costs; growth rates; organizational efficiency and revenue)	42.3
Retention	40.2
Compensation	38.1
External forecasting — Forecasts of industry and other external supply and demand trends; competitor assessment (i.e. compensation and benefits surveys)	30.9
Performance	29.9
Skill gap analysis	27.8
Detailed statistical demographics	23.7
Benefits	23.7
Work/life issues	19.6
Reporting	17.5
Redeployment	15.5
Budgeting	1

Workforce Planning Automated Systems

Respondents indicated the use of various automated systems in their workforce planning processes. The use of an agency database was most frequently cited. Others included:

- Agency database — 34%;
- Commercial database (e.g. Peoplesoft, MS Access, SAP, Oracle) — 18.6%;
- Other types of systems being used: development of own software, PRISM Statewide Payroll and Human Resources System (SPAHRS), Mississippi Executive Resource Library and Information Network (MERLIN), submitting surveys to other localities, the Commonwealth of Virginia's database — 5.4 %.

Also, 21 percent indicated their workforce planning system is part of an integrated human resource management system (HRIS). Thirty-six percent said workforce planning is not part of an HRIS.

New Programs/Strategies Implemented as a Result of Workforce Planning Analysis

The following were identified as programs and strategies implemented as a result of a workforce planning analysis:

Programs/Strategies	Percentage (%)
Recruitment	24.7
Retention	18.6
Competencies	14.4
Reduction in force (RIF)	10.3
Early retirement	9.3
Improved benefits	8.2
Redeployment programs	7.2
Privatization	5.2
HR development programs	1.0
Downsizing/Rightsizing	1.0

Other programs indicated by respondents were development of career paths, pay/salary study, reorganizations and furloughs, succession planning, training assessment and skills gap mitigation.

When asked if their organization is taking any steps to transfer knowledge from its experienced workers to less experienced workers, 45 percent said "Yes" and 20 percent said "No." The steps being taken by those who are attempting to transfer knowledge include the following specific examples:

- Creating written procedures where possible; cross-training various staff in different departments as a back-up to critical functions;
- Implementation of various strategies such as mentoring, on-the-job training, job shadowing, job previews, and promotional readiness evaluations;

- Allowing double-fill of some positions temporarily, creating specialized positions that will move into highly specialized professional positions after being mentored;
- Building career paths and ladders that provide training to current county workforce in order to prepare for upcoming retirements;
- Creating company-wide leadership/management and skills training programs;
- Creating and updating desk manuals on a regular basis identifying job functions; mentoring through identification of employees eligible to fill key positions within the organization;
- Initiating internships and delegation of key projects;
- Developing a training program in knowledge transfer tools and techniques for agency managers. Agencies are using these as appropriate for their environment.
- Developing communities of practice and central repositories for long-term employee knowledge before retirement;
- Documenting current processes and historical data;
- Ensuring every employee has a trained "back-up" person;
- Identifying cross-training, promotional, special project and re-assignment opportunities;
- Implementing informal knowledge management;
- Ensuring that knowledge transfer occurs in a variety of forms, such as formalized on-the-job training, informal and formal mentoring relationships, documentation of policies and procedures, and in select agencies through knowledge management programs;
- Overlapping new hires and retirees. Return of retirees for special projects and assistance. Improved documentation of systems and procedures; debriefing of departing employees to gain insight into their institutional knowledge;
- Implementing person-to-person knowledge transfer on an individual basis and through training programs and seminars;
- Bringing back retirees to serve as mentors and trainers;
- Initiating skill-gap analysis, evaluation of potential retirements and taking steps to transfer that knowledge to those interested;
- Creating a generic plan that agencies can follow to develop a department-specific succession plan, which will include KSA-gap analysis and practices to overcome;
- Creating a knowledge management committee that has developed some recommendations to capture organizational knowledge;
- Developing focus group meetings to inform employees and encourage their participation.

Barriers Preventing Production of Complete and Timely Workforce Plans

It is important to note the barriers respondents indicated that are preventing organizations from producing complete and timely workforce plans. The U.S. General Accounting Office, in its December 2003 report on "Effective Strategic Workforce Planning" (GAO-04-39), identified numerous lessons and strategies that can help agencies successfully implement strategic workforce plans based on the human capital experiences of leading organizations. These lessons and strategies include ensuring that top management sets the overall direction and goals of workforce planning; involving employees and other stakeholders in developing and implementing future workforce strategies; establishing a communication strategy to create shared expectations, promote transparency and report progress; educating managers and employees on the availability and use of flexibilities; streamlining and improving administrative processes; and building transparency and accountability into the system.

In the IPMA-HR survey, the following barriers to producing complete and timely workforce plans were cited by respondents:

Barriers	Percentage (%)
Preoccupation with short-term activities	39.2
Insufficient staffing	34.0
Lack of funding	25.8
Lack of executive support	18.0
Restrictive merit system rules on hiring	13.4
Insufficient marketing effort	6.2
Lack of confidence in planning techniques	6.2
Resistance to change	1.0

Other specific barriers cited by respondents included:

- Agencies' uncertainty; there is no current overall mandate to conduct workforce planning and no alignment with the budget process;
- Change in administration has put a halt on any the process;
- Fiscal constraints to support new initiatives;
- Focus on short-term needs and results due to use of annual, individual performance objectives for senior executives and bi-annual rotation of commanders;
- Some department heads refuse to believe they could structure their departments differently or lose any employees;
- Plans are completed too late to be useful.

Succession Planning

It is interesting to note that of the 97 respondents to the workforce planning survey, 39 percent of the organizations are actively involved in succession planning, but 40 percent are not. Twenty people did not respond to this item. Thirty-two percent indicated that succession planning was part of their workforce plan, while 8 percent said it was not part of their workforce plan.

Benefits or Positive Outcomes Realized by Organizations as a Result of Their Workforce Planning Process

For those organizations that have a workforce planning process, there have been some positive outcomes as a result. Benefits described by some agencies include the following:

- A raised awareness of the eminent mass retirements resulting from the baby boom generation;
- A heightened level of importance of the workforce planning function;
- A leadership academy has been initiated to prepare future leaders;
- Ability to see where retirements are happening and plan for them.
- Efficiencies have been found by restructuring departments, taking advantage of vacancies and successful redeployment of displaced employees;
- Departments that have engaged in workforce planning efforts have found themselves prepared to deal with large-scale retirements and turnover in their workforce, and have been reminded of the value and utility in making sound job-related selections;
- Assisted in retention when employees realize management is interested in their career advancement and training necessary to achieve their career goals;
- Enables management to better forecast budgets and tie staffing and competencies with strategic planning;
- Budget and vacancy management planning;
- Reallocation of workforce has occurred in some areas;
- Awareness at the executive level for workforce planning is increasing;
- Employees (top to bottom) are held accountable for their actions and each person sees how their actions affect the other.

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